Outstanding debts of Andhra Pradesh due to World Bank

1633. SHRI NANDI YELLAIAH: Will the Minister of FINANCE be pleased to state:

(a) the details of outstanding debts due to World Bank and other International Financial Institutions by Andhra Pradesh;

(b) the details of interest or service charges to be paid by Andhra Pradesh to World Bank and other institutions every year;

(c) the details of the mode of re-payment of these foreign loans and their interest or service charges by Andhra Pradesh;

(d) the details of impact of these loans on release of Central Budget to Andhra Pradesh during 2001-02, 2002-03 and 2003-04; and

(e) whether the Central Government follows any guidelines before giving guarantee to International Financial Institutions before such loans are released to States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) All assistance from International Financial Institutions including World Bank is passed on by the Government of India to the States as part of the budgetary allocation following the Gadgil Formula. There is no mechanism for the States to service the debts directly to the external funding agencies. The Central Government does not give any guarantee to International Financial Institutions for negotiating loans for the State Government.

(e) No, Sir.

Temporary employees in nationalised banks

1634. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) the total number of employees working in the nationalized banks on temporary basis even after more than 14 to 20 years;

(b) whether it is a fact that these employees were recruited as part time temporary worker by regular selection process like calling candidates through employment exchange and proper interviews by the selection boards of the nationalised banks;

(c) whether it is also a fact that many of these temporary workers have now become overage and have crossed the age bar serving with a hope that they will be made permanent; and

(d) whether Government propose to consider permanent jobs to them and give them security of service and justice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) The information is being collected and will be laid on the Table of the House.

Decline in market share of LIC

1635. SHRI C. RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the market share of Life Insurance Corporation (LIC) has come down due to increased competition from private players in the Insurance Industry;

(b) if so, what is LIC planning to improve its market share;

(c) to what extent is the lower market share affecting the profitability of LIC;

(d) whether it is also a fact that LIC has written to Government that it plans to absorb the service tax and education cess payable by the policy holder on the premium that he pays; and

(e) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. However, the market is expanding very fast and the growth rate of LIC has been satisfactory. LIC has taken various steps to improve its market share including introduction of six new plans to cater to different segments of society and matching the varying needs. To cater to the large insurable population in the rural areas, the Corporation has already in vogue the Bima Gram concept as well as Rural Career Agents Scheme which provide impetus to rural insurance and a steady source of income to the educated rural youth respectively. LIC also has been emphasizing on enhancing capability of its distribution channels through intensive training. The Corporation has